

ARIZONA DEPARTMENT OF EDUCATION

Tom Horne
Superintendent of
Public Instruction



STATE OF ARIZONA

School Finance
1535 West Jefferson
Phoenix, Arizona 85007
(602)-542-5695
(602)-542-3099 fax

SCHOOL FINANCE MEMORANDUM 10-001

TO: School District and Charter School Administrators and Business Managers

FROM: Yousef Awwad, Director of School Finance

DATE: July 6, 2009

SUBJECT: FY 2009-2010 Legislative Update, School Finance

This memo is to address the impact on school districts and charter holders as a result of the recent legislative actions. School Finance will provide specific guidance as soon as possible.

Pursuant to [Senate Bill 1196, 1st Regular Session, 49th Legislature](#) and [House Bill 2002, 3rd Special Session, 49th Legislature](#), the following items will impact your FY 2009-2010 expenditure budget, at least temporarily, possibly permanently. Neither bill has been signed by the Governor as of the writing of this document. All is subject to additional legislation being passed and becoming law.

Senate Bill 1196 was transmitted to the Governor on July 1, 2009 and will become law September 28, 2009 if signed by the Governor (without veto) or allowed to go into law without her signature.

- Senate Bill 1196, Section 8, amending A.R.S. §15-185(B)(2), specifies that a charter school which provides 200 days of instruction may increase its base level amount, pursuant to A.R.S. §15-902.02, BY 5%.

House Bill 2002, which contains an emergency clause, passed unanimously in both the House and the Senate. House Bill 2002 was transmitted to the Governor on July 6, 2009. House Bill 2002 is retroactive to June 30, 2009.

- House Bill 2002, Section 1, amending A.R.S. §15-185(B)(4) sets the additional assistance for charters schools at \$1,588.44 for kindergarten & grades 1 through 8 and \$1,851.30 for grades 9 through 12.
- House Bill 2002, Section 2, amending A.R.S. §15-821(C) specifies that a student who has not reached the age of 5 before September 1 who is admitted to a kindergarten program and who is readmitted in the subsequent year as a kindergarten student is not eligible to generate basic state aid (equalization assistance) for the 2nd year.
- House Bill 2002, Section 3, amending A.R.S. §15-901(B)(2)(c) specifies the base level amount for FY 2009-2010 to be \$3,267,72.

- House Bill 2002, Section 4, amending A.R.S. §15-945(A)(5) specifies the FY 2009-2010 state support level per route mile, for school districts to be \$2.32 or \$1.89 per daily route mile.
- House Bill 2002, Sections 5 and 7 through 9, contain provisions for school districts, which expire on October 1, 2009.
 - Section 5: FY 2009-2010 Budgeted Career Ladders may not exceed the budgeted Career Ladders for FY 2008-2009. The percentage increase for career ladders will be applied to the base level amount as in the past.
 - Section 7: Districts may not adjust their Revenue Control Limit for actual utility costs pursuant to A.R.S. §15-910.04.
 - Section 8: FY 2009-2010 desegregation budget may not exceed the budgeted Desegregation for FY 2008-2009.
 - Section 10: FY 2009-2010 Soft Capital shall be reduced by \$175,000,000. Districts which are not eligible for basic state aid shall also be reduced.

If you have any questions please call Yousef Awwad at 602-542-5695 or email at Yousef.awwad@azed.gov

Thank you for your support and cooperation